

INTERGOVERNMENTAL AGREEMENT
BETWEEN
THE STATE OF ARIZONA
AND
THE CITY OF SHOW LOW

THIS AGREEMENT is entered into 20 MARCH, 1997,
pursuant to Arizona Revised Statutes, Sections 11-951 through 11-954, as amended,
between the STATE OF ARIZONA, acting by and through its DEPARTMENT OF
TRANSPORTATION (the "State") and the CITY OF SHOW LOW, acting by and through
its MAYOR and CITY COUNCIL (the "City").

I. RECITALS

1. The State is empowered by Arizona Revised Statutes Section 28-108 to enter into this agreement and has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this agreement and has delegated to the undersigned the authority to execute this agreement on behalf of the State.

2. The City is empowered by Arizona Revised Statutes Section 41-1513 and 28-1895 et seq to enter into this agreement and has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this agreement and has authorized the undersigned to execute this agreement on behalf of the City.

3. The City has requested Economic Strength Project (ESP) funds in the amount of \$51,980.00; the Commerce and the Economic Development Commission have recommended the approval of such funds for the City, and the Transportation Board has approved the funding, for the construction of roadway improvements to N. 27th Street, to provide improved access, and aid in the retention and development of local business, hereinafter referred to as the Project.

THEREFORE, in consideration of the mutual agreements expressed herein, it is agreed as follows:

=====

NO. <u>21443</u>
FILED WITH SECRETARY OF STATE
Date Filed <u>03/20/97</u>
<u>Jane Lee Hull</u> Secretary of State
By <u>Vicky Greenwald</u>

II. SCOPE

1. The City will:

a. Insure the additional commitment of 22.39% of the total estimated Project cost, or \$15,000.00, whichever is more, from the City or other sources (not including ESP funds) to the Project. Accomplish construction of the Project by public bidding, in strict compliance with State procurement laws, rules and regulations. Upon completion, approve and accept the Project on behalf of the City and provide maintenance.

b. No more often than monthly, invoice the State, in the form of Exhibit B hereto, for ESP funds (Arizona Department of Commerce, ATTN: Strategic Finance Division, ESP Program Director, 3800 N. Central Avenue, Suite 1500, Phoenix, AZ 85012), in an amount not to exceed \$51,980.00.

c. Provide the State a copy of the executed Project contract(s), and draw down and expend the State ESP funds no later than six (6) months after the effective date of this agreement. Provide the State detailed written reports of all ESP fund expenditures, supported by invoices, receipts or other suitable and appropriate documentation, and a final accounting report no later than thirty (30) days after ESP funds are fully expended.

d. Reimburse the State any funds received from the State under this agreement which are not specifically and directly expended in compliance with the ESP grant application, which is attached hereto and made a part hereof, and are subsequently disallowed by the State.

e. Provide the State (Arizona Department of Commerce, ATTN: Strategic Finance Division, ESP Program Director, 3800 N. Central Avenue, Suite 1500, Phoenix, AZ 85012) with quarterly Project status reports, and one year after completion of the Project, a written Economic Impact Report detailing the direct and indirect impact of the Project, to include jobs created, jobs retained and related data.

2. The State will:

Within thirty (30) days after receipt and approval of the ESP contract(s) and subsequent monthly progress payment invoices, reimburse the City for work completed on the Project funds in an amount not to exceed \$51,980.00.

III. MISCELLANEOUS PROVISIONS

1. The only interest of the Department of Transportation in the Project is to convey economic strength pass through funds for the use and benefit of the City by reason of state law under which funds for the Project are authorized to be expended.

2. The City agrees to indemnify and save harmless the State, or any of its departments, agencies, officers or employees, from and against all loss, expense, damage or claim of any nature whatsoever which is caused by any activity, condition or event arising out of the performance or non-performance by the State of any of the provisions of this agreement.

3. The total amount of ESP funds expended under this agreement shall not exceed 77.61% of the total Project cost. Should the Project not be completed, be partially completed, or be completed at a lower cost than the advanced amount, or for any other reason should any of these ESP funds not be expended, a proportionate amount of the funds provided under this agreement shall be reimbursed to the State.

4. This agreement shall remain in force and effect until completion of said Project, reimbursement and subsequent reports; provided, however, that this agreement, except any provisions herein for maintenance, which shall be perpetual, may be cancelled at any time prior to the award of a construction contract, upon thirty (30) days written notice to the other party. Further, this agreement may be terminated and the ESP grant cancelled by the State if the City, in the opinion of and by action of the Transportation Board, fails to pursue due diligence on the Project or in the performance of any of the terms of this agreement.

5. This agreement shall become effective upon filing with the Secretary of State.

6. This agreement may be cancelled in accordance with Arizona Revised Statutes Section 38-511 as regards conflicts of interest on behalf of State employees.

7. The provisions of Arizona Revised Statutes Section 35-214 pertaining to 5 year records retention by the City and audit by the State are applicable to this contract.

8. In the event of any controversy which may arise out of this agreement, the parties hereto agree to abide by required arbitration as is set forth in Arizona Revised Statutes Section 12-1518.

9. All notices or demands upon any party to this agreement, except as otherwise specified herein, shall be in writing and shall be delivered in person or sent by mail addressed as follows:

Arizona Department of Transportation
Joint Project Administration
205 South 17 Avenue, Mail Drop 616E
Phoenix, AZ 85007

City of Show Low
City Manager
200 West Cooley Street
Show Low, AZ 85901

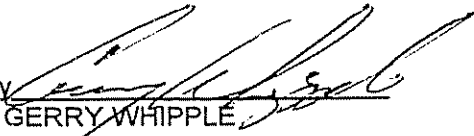
10. Attached hereto and incorporated herein is the written determination of each party's legal counsel that the parties are authorized under the laws of this state to enter into this agreement and that the agreement is in proper form.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

CITY OF SHOW LOW


STATE OF ARIZONA

Department of Transportation

By 
GERRY WHIPPLE
Mayor

By 
JAY KLAGGE, Director
Transportation Planning

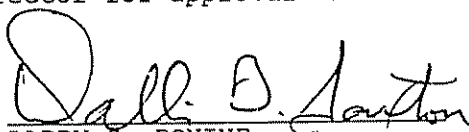
ATTEST:

By 
ELIZABETH A. BURKE
City Clerk

RESOLUTION

BE IT RESOLVED on this 10th day of December 1996, that I, the undersigned LARRY S. BONINE, as Director of the Arizona Department of Transportation, have determined that it is in the best interests of the State of Arizona that the Department of Transportation, acting by and through the Intermodal Transportation Division, to enter into an agreement with the City of Show Low for the purpose of defining responsibilities for the pass through of state Economic Strength funds for improvements to N. 27th Street in the City.

Therefore, authorization is hereby granted to draft said agreement which, upon completion, shall be submitted to the Transportation Planning Director for approval and execution.


for LARRY S. BONINE
Director

CITY OF SHOW LOW RESOLUTION NO. 743

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE
CITY OF SHOW LOW, ARIZONA APPROVING AN
INTERGOVERNMENTAL AGREEMENT WITH THE
ARIZONA DEPARTMENT OF COMMERCE FOR AN
ECONOMIC STRENGTH PROGRAM GRANT FOR
INFRASTRUCTURE/BUSINESS DEVELOPMENT

RECITALS:

WHEREAS, the City Council adopted Resolution No. 727 on September 3, 1996, authorizing the submission of an application for a Department of Commerce Economic Strength Program Grant for infrastructure/business development and committing a contribution of \$5,000 as a portion of the matching funds for said grant; and

WHEREAS, the City of Show Low has been awarded said grant from the Arizona Department of Commerce.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Show Low, Arizona:

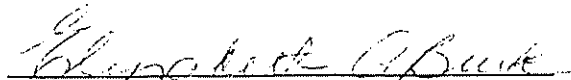
THAT the Intergovernmental Agreement with the Arizona Department of Commerce for an Economic Strength Program Grant is hereby approved; and

BE IT FURTHER RESOLVED authorizing the Mayor to sign said Intergovernmental Agreement.

PASSED AND ADOPTED this 21st day of January, 1997, by the Mayor and Council of the City of Show Low, Arizona.


Gerry Whipple, Mayor

ATTEST:


Elizabeth A. Burke, City Clerk

APPROVED AS TO FORM:


Michael J. Brown, Interim City Attorney

APPROVAL OF THE SHOW LOW CITY ATTORNEY

I have reviewed the above referenced proposed intergovernmental agreement, between the DEPARTMENT OF TRANSPORTATION, HIGHWAYS DIVISION, and the CITY OF SHOW LOW and declare this agreement to be in proper form and within the powers and authority granted to the City under the laws of the State of Arizona.

DATED this 21st day of January, 1997.


City Attorney

ECONOMIC STRENGTH PROJECTS
REQUEST FOR PROPOSAL
FY 1997 - ROUND 1
September 13, 1996

APPLICATION FORM

NOTE: Additional information may be provided in attachments. Be sure to clearly reference and mark such additions and attachments.

1. NAME AND ADDRESS OF APPLICANT:

City of Show Low
200 W. Cooley
Show Low, AZ 85901

2. TYPE OF ORGANIZATION OF APPLICANT: (Check one)

a) ☒ Local Government only

b) ☐ Private Non Profit / Local Government Joint Application:

Name of Non Profit Agency Involved

Name of Local Government Involved

City of Show Low, Arizona

3. Describe the function or purpose of applicant organization.

Municipal Government

4. Name, address, and phone number of contact person:

Patrick Sherman, City Manager
City of Show Low
200 W. Cooley
Show Low, AZ 85901
(520) 537-5724

5. Describe the private sector project or activity for which the related ESP funding is requested.

Micro Tech I, Southwest, Inc. may be best described as a high quality manufacturer of precision plastic parts used primarily in the assembly of medical and electronic components. Currently located in Tempe, Micro Tech I has chosen Show Low to expand its business operations.

Micro Tech I will be housed in a 4,000 square foot building located just off U.S. Highway 60 in Show Low. As a manufacturer of precision plastic parts for major medical suppliers, dust from the unpaved road to the business is their worst enemy in creating possible abnormalities in their final product.

Please see *Attachment #1* for area map.

6. Describe the Economic Strength Project for which funding is requested. Describe how the ESP project supports/relates to the private sector project described in #5 above.

The proposed ESP project is designed to improve a portion of North 27th Street directly off U.S. Highway 60 to the Micro Tech I building. More specifically, the proposed project entails the creation of a 32 foot wide asphalted road from U.S. Highway 60, 535 feet in length to the entrance to the Micro Tech I location. The proposed road will accommodate a southbound ingress from Highway 60, and northbound egress in the form of a right hand turn lane and a left hand turn lane to safely accommodate existing and future commercial trucks accessing U.S. Highway 60 from this industrially zoned area.

Please see *Attachments #2 and #3* for site plans.

7. Describe how the private sector project fits into the community's overall economic development efforts.

Micro Tech I, Southwest, Inc. will be a welcomed and valuable addition to the local economy. Show Low's economy revolves largely around tourism and the retail and service based businesses that support tourism activities. The addition of Micro Tech I will further strengthen and diversify our local economy by providing high paid, skilled labor jobs and increasing local tax revenues.

Micro Tech I currently realizes \$1.5 million in sales and expects significant increases in the years to come. Within two years of operation, Micro Tech I expects to have 10 local employees and \$1 million in sales generated from the Show Low facility. Though 10 newly created skilled labor jobs may seem insignificant by urban standards, these 10 skilled labor jobs are a valuable addition to Show Low's labor force and hopeful indicator in Show Low's future ability to attract future quality employment as our industrial area infrastructure is improved.

Together with the 19 construction jobs that will be generated by the construction of this road, both projects will significantly contribute to the economic viability of the area.

A major impetus of Show Low's economic development effort is to diversify our local economy and to create new jobs. Specifically, the mission of the White Mountain Regional Development Corporation, our regional economic development arm, is "to strengthen and diversify the White Mountain's economy by building a strong organization for business retention, expansion and attraction."

The expansion of business and employment opportunities in Show Low are also a key component of our economic development plan. The development of sound infrastructure is the first step to expanding and retaining industry. So, it is vital that the proposed public and private road improvements be completed to help assist in not only expanding and retaining business and employment opportunities, but to also expand the local tax base as well. Assistance from the ESP grant will be a much appreciated resource in the realization of our development goals.

Included in this grant proposal is *Attachment #8* which is the mission statement and goals and objectives of White Mountain Regional Development Corporation which was referred to in the above paragraph.

8. Describe how the supporting ESP project fits into the Community's overall economic development efforts.

This supporting ESP project is a vital link in providing adequate road access to Micro Tech I and other local businesses in this industrially zoned area of the City of Show Low.

Efforts to pave this section of the road have been a constant struggle for both the City and neighboring property owners. This portion of the easement was recently acquired by the City from the U.S. Forest Service who still control the frontage properties on the east and west sides of the proposed ESP project. Until recently, businesses accessing this road were required to obtain permission from the U.S. Forest Service to use this access easement. Because the U.S. Forest Service controls the adjacent properties, participation from property owners south of the proposed ESP project have been reluctant to participate financially.

By paving the initial highway link of this road with the help of the ESP grant, existing and future property owners and businesses within this industrially zoned area will be more inclined to participate in infrastructure improvements immediately adjacent to their properties.

Therefore, the supporting ESP project is very much in tune with Show Low's economic development efforts by helping provide a key infrastructure link that up to now has stifled the growth of commercial and industrial businesses in this area.

9. How will ongoing maintenance and repair be provided for the ESP project after construction/improvement?

As a street identified on the Show Low Master Plan and to be dedicated and accepted in the future, the City of Show Low will be responsible for the ongoing maintenance of this road.

10. Description of ESP project. (Check one)

- a) ☐ This is an existing roadway.
- b) ☐ This is a new roadway.
- c) ☐ This is a bridge.
- d) ☐ This is an underpass.
- e) ☒ Other Recently acquired Right-of-Way from U.S. Forest Service to City of Show Low, currently unaccepted City street needing asphalt paving.

11. Where is the private sector project located that is supported by this ESP project?

City of Show Low.

Please see *Attachments #1 and #2* for reference maps.

12. Where is the ESP project located?

- a. In the community: See *Attachment #1*.
- b. In relation to the related private sector project: See *Attachment #2*.

13. What is the length (in feet/miles) of the ESP project?
535 feet

14. What is the width (in feet) of the ESP project?

32 feet wide. Please refer to question Number Six for additional explanation.

In the jobs section below (Q15 - Q17), applicants must provide employment- and wage-related information for the private sector employers (existing or new) which the ESP fund is supporting. If these projects do not generate certain categories of jobs (job creation, job retention or seasonal jobs), those sections should be left blank.

15. JOB CREATION

a. Construction Phase

Does your project create any public or private construction jobs?

Yes X
No _____

If yes, complete the following; otherwise go to Q15.b.

(1) Number of construction jobs directly created by private sector	5*
Number of days or months the construction jobs would last	3-4 weeks
Average hourly wages	\$15.00-25.00/hr.
(2) Number of construction jobs directly created by public sector	19
Average number of days or months the construction jobs would last	3-4 weeks
Average hourly wages	\$15.00-35.00/hr.

**Number reflects number of employees to remodel building.*

Note: List and provide the above information for each employer included in or supported by your ESP application.

Private Sector - Remodel

3 carpenters
1 electrician
1 plumber

(wages range from \$15.00-25.00/hr.)

Public Sector

10 heavy machine operators - dirtwork
5 heavy machine operators - asphalt
2 striping
1 traffic control
1 design engineer
(wages range from \$15.00-30.00/hr.)

b. Operation Phase

(1) Number of full-time permanent direct jobs created	10
Average hourly wages	\$15.00/hr.

(2) Number of part-time permanent direct jobs created	2
Average number of hours per week	20-30
Average hourly wages	\$7.50

Note: List and provide the above information for each employer included in or supported by your ESP application.

Operations

6 machine operators
2 foremen
2 maintenance personnel
(wages range from \$8.00-16.00/hr.)

16. JOB RETENTION

a. Number of permanent full-time direct jobs retained	1
Average hourly wages	\$10.00/hr.
b. Number of permanent part-time direct jobs retained	—
Average number of hours per week	—
Average hourly wages	—
c. How would the lack of the ESP project cause, or contribute to, the loss of these directly effected jobs?	

n/a

Note: List and provide the above information for each employer included in or supported by your ESP application.

17. SEASONAL JOBS

If seasonal jobs are a significant part of the operation of private businesses for which you have applied for ESP, complete the following. Otherwise, go to question 18.

n/a

Note: List and provide the above information for each employer included in or supported by your ESP application.

18. Capital Investment.

- a) What kind of new, additional capital investment will be made by the private sector business or industry assisted by this ESP project? (Building, equipment, etc. at this site).

The majority of the capital investment in this project will involve an extensive modeling of the existing building to accommodate Micro Tech I. The building will be retrofitted with a new space design, ventilation system, exterior improvements, etc. plus the addition of various high tech equipment and machinery for manufacturing of their precision plastic products.

- b) What is the purpose and dollar value of the new, additional capital investment that will be made by the private sector business or industry assisted by this ESP project?

\$ 200,000.00 for remodeling of the building

\$ 900,000.00 for manufacturing machinery and equipment

\$ 50,000.00 for site preparation - pave parking lot/landscaping, etc.

\$1,150,000.00 Total

19. Cost/Benefit Calculation

What is the likelihood that benefit resulting from the project will exceed the costs of the project? Show detail of cost/benefit analysis used to determine the net benefits of this project.

The benefits to be gained from this project reach beyond those immediate to Micro Tech I. This initial pavement link to the highway will entice future and the handful of local businesses that utilize this road/easement as access. Please see *Attachment #4* for cost/benefit calculation for Micro Tech I.

20. What community(ies) will benefit from this project? How will each listed community benefit?

The City of Show Low will be the immediate beneficiary by helping to provide capital for much needed infrastructure to a fledgling industrial area. The entire White Mountain area will benefit by having another quality light manufacturer to further economic development.

21. List the names of local economic development organizations, and a contact person for each, which are involved with this private sector project. Include documentation (letters, etc.) showing the involvement and level of support of each organization.

White Mountain Regional Development

Corporation

Carl Wibel

(520) 537-3777

Show Low Chamber of Commerce

Rob Jones

(520) 537-2326

City of Show Low

Patrick Sherman

(520) 537-5724

See *Attachments #5 and 6*.

22. What is the total cost of the entire project? **\$1,216,980.00**

23. What is the total cost of the ESP portion of the project? **\$ 66,980.00**

24. Complete and attach the Budget Detail Schedule (See *Attachment A*).

25. Complete and attach the Sources and Uses Schedule (See *Attachment B*).

26. Of the total ESP project cost listed in #23 above, how much financial assistance are you requesting from the Economic Strength Projects Fund?
\$51,980.00

27. List the sources and amounts of matching funds (both private and public) that will be a part of the total direct ESP project cost.

- a) Public Funds:

- (1) Name of public entity contributing the match.

City of Show Low

(2) Cash match contributed to the project.

-Amount	\$5,000.00
-Source (general fund, grants, HURF, etc.)	General Fund

(3) In-kind match contributed to the project.

-Dollar value of in-kind matching contributed.	\$5,000.00
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-Type of matching (force account labor, construction management, materials, etc.)

Administrative, construction management

b) Private Sector funds:

Name of private sector company(ies) contributing matching funds to the ESP project, (if any)	Amount
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Micro Tech I	\$5,000.00
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28. Local utility or other infrastructure expenditures:

a) What indirect local public utility or other infrastructure expenditures will need to be made in connection with (1) the private sector project, and (2) the ESP project? For example, expansion of water or waste water treatment facilities due to demands of the new business which the ESP project is assisting; extension of utility lines, major drainage improvements, etc). Existing utility connections to the building are adequate for new business.

n/a

IMPROVEMENT	COST
_____	\$ _____
_____	\$ _____
Total	\$ _____

29. How will the infrastructure expenditures listed in #28 above be funded?

n/a

30. List below the major milestone activities to be completed in the project and the time schedules for each.

ACTIVITY	START DATE	END DATE
Engineering	01/01/97	03/01/97
Construction Staking	05/01/97	05/15/97
Subbase & Base	05/15/97	05/22/97
Paving	05/25/97	05/27/97

31. How soon after receiving approval of your ESP proposal could you begin construction on:

(a) The private sector project?(e g , days, months) November 1996

(b) The ESP project?(e.g., days, months) January 1997

32. How long will the private sector project take to complete from start to finish? (e.g., days, months)
2-3 months

How long will the ESP project take to complete from start to finish? (e.g., days, months)
From engineering to paving - approximately five (5) months.

33. Is there any opposition to either the private sector project or the ESP project? If so, from whom and what is the nature of the opposition?

No opposition received.

34. Is project located in _____ disadvantaged area of state?
_____X_____ rural area of state?

35. Has this applying entity ever received any previous ESP grant funds.

NO _____ YES _____X_____ DATE RECEIVED: (1) 1992, (2) 1993, (3) 1996

AMOUNT RECEIVED: (1) \$95,000 (2) \$20,256 (3) \$77,000

(List if more than one.)

**IMPORTANT!! UPDATE PERMANENT JOBS, DIRECTLY
CREATED AND/OR RETAINED, FOR EACH GRANT LISTED.**


36. Certification:

I certify that this project is compatible with other transportation facilities and conforms to all applicable construction and engineering standards.

NAME: Franics R. Emmett

DATE: September 13, 1996

TITLE: Public Works Director

SIGNATURE: 

NAME OF CONTACT PERSON Kevin J. Kugler

TELEPHONE NUMBER (520) 537-5724

SCORING CRITERIA AND RATING FACTORS

Funds will be awarded to selected applicants based on their overall application rating score. Applications are reviewed and assigned ratings based on the following specific program related elements.

A maximum of 100 points is available for each application (Varying 0 to 10 and 0 to 20 points for each program element) based on the degree to which the proposal does the following:

1. Shows permanent job creation or retention.
2. Shows a high amount of leverage.
3. Shows capital investment.
4. Shows strong contribution to the area's economy (tax base)
5. Is located in a disadvantaged area of the state.
6. Is located in rural area of the state.
7. Demonstrates a unified, coordinated economic development effort.
8. Has an immediate impact

TOTAL POINTS POSSIBLE	100
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ATTACHMENT A
BUDGET DETAIL SCHEDULE

Note: No contingency costs should be included in the Grand Total of project costs.

ACTIVITY	LABOR OR UNIT PRICE	MATERIALS OR NUMBER OF UNITS	TOTAL CONSTRUCTION COSTS	ARCHITECTURAL/ ENGINEERING COSTS	TOTAL ACTIVITY COSTS	PROJECTED ANNUAL OPERATIONS & MAINTENANCE COSTS
Roadway Excavation	\$5.00/c.y.	750	\$3,750			
Subgrade Preparation	\$2.00/c.y.	1,950	\$3,900			
Aggregate Base	\$15.00/ton	535	\$8,025			
Asphaltic Concrete	\$58.00/ton	410	\$23,780			
Fog Coat	\$400.00/ton	1.5	\$600			
Drainage (CMP)	\$55.00/l.f.	90	\$4,950			
Pavement Markings	\$50/l.f.	1,950	\$975			
Traffic Control	\$2,000	1 c.s.	\$2,000			
Design	\$6,500	1 c.s.	\$6,500			
Construction Management and Testing - 15%	\$7,500	1 c.s.	---	\$7,500		
In-Kind Labor Match	---	---	---	\$5,000		
Grand Totals			\$54,480	\$12,500	\$66,980*	



Signature of Registered Professional

*Should match Item 23 in the Application and the total of Items II C. & D.(1) & (2) in Sources of Funds (Attachment B)

ATTACHMENT B

SOURCES AND USES STATEMENT

I. USES:

A. Private Sector Related

1.	Acquisition of Existing Building with land	\$	—
2.	Site Acquisition (vacant land)	\$	—
3.	New building construction	\$	—
4.	Remodeling	\$	200,000.00
5.	Machinery and Equipment	\$	900,000.00
6.	Site preparation	\$	50,000.00
7.	Other _____	\$	—
	Sub Total	\$	1,150,000.00

B. Public Sector Related

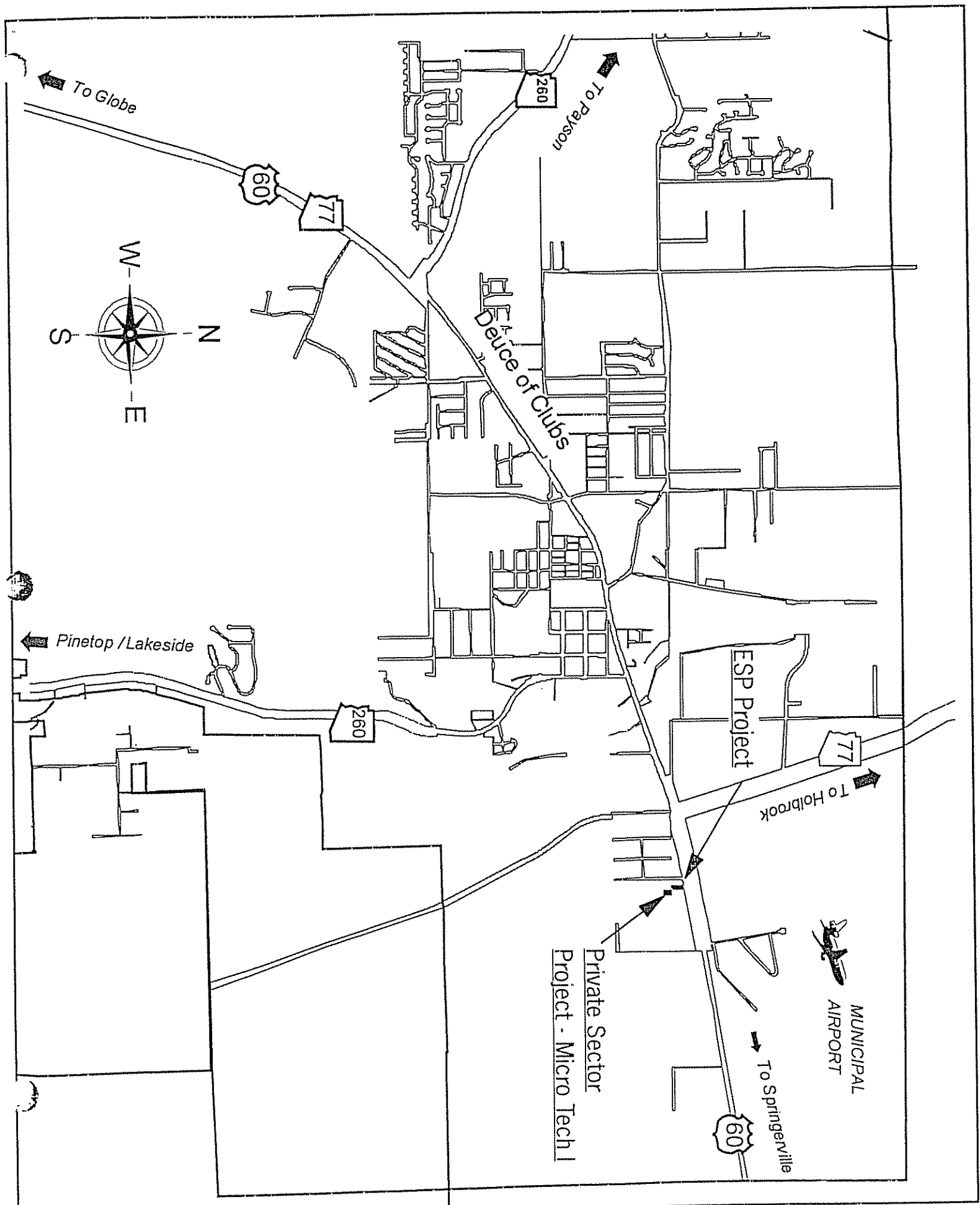
1.	Total ESP project improvements (Grand Total of Total Activity Costs in Attachment A and Item 23 in the Application)	\$	66,980.00
2.	Local public sector improvements (Infrastructure improvements directly related to the project and located on or contiguous to the project site. Do not include ESP related costs here)		
	_____	\$	—
	_____	\$	—
3.	Other _____	\$	—

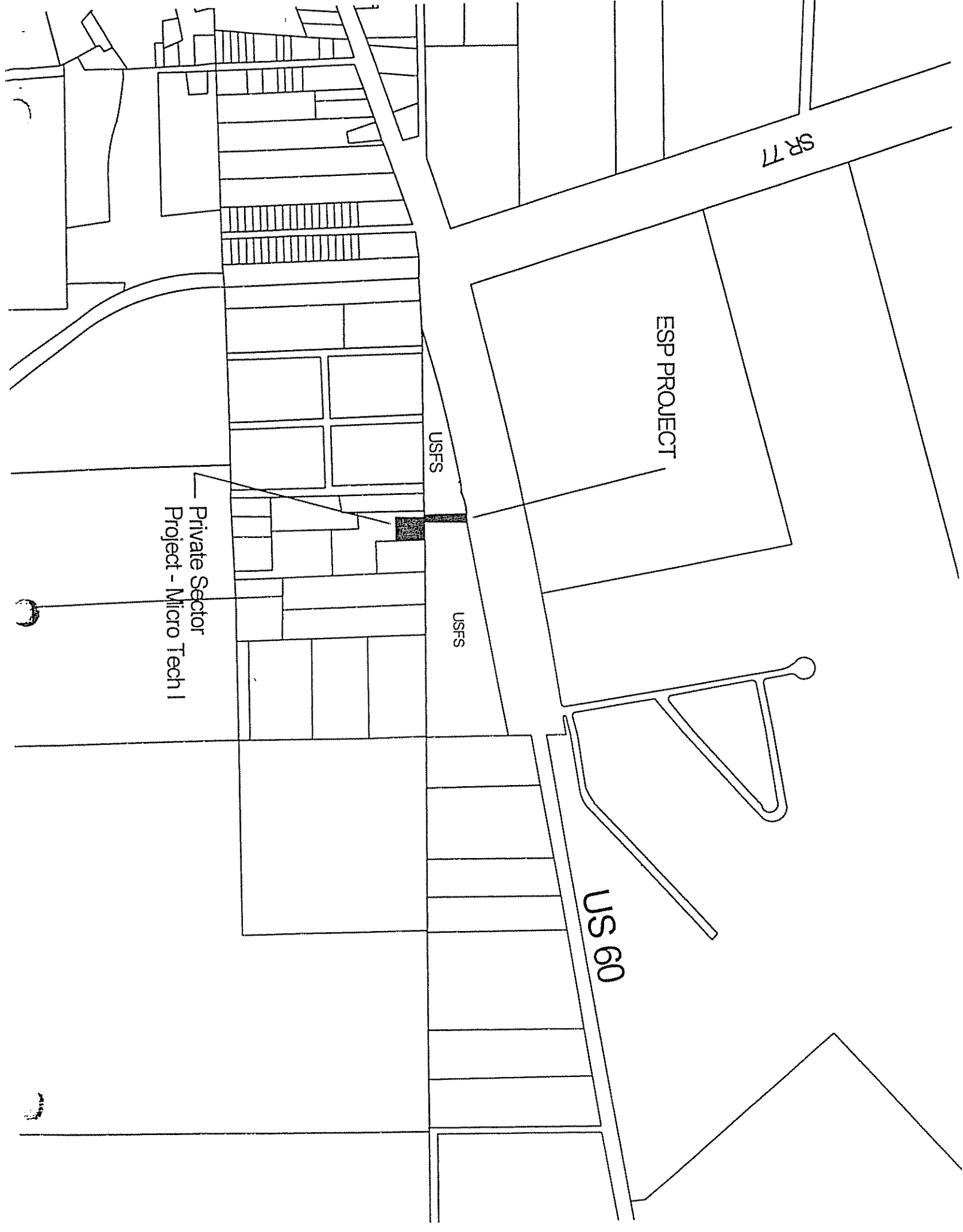
C. Total Uses \$ 1,216,980.00 *

II. SOURCES:

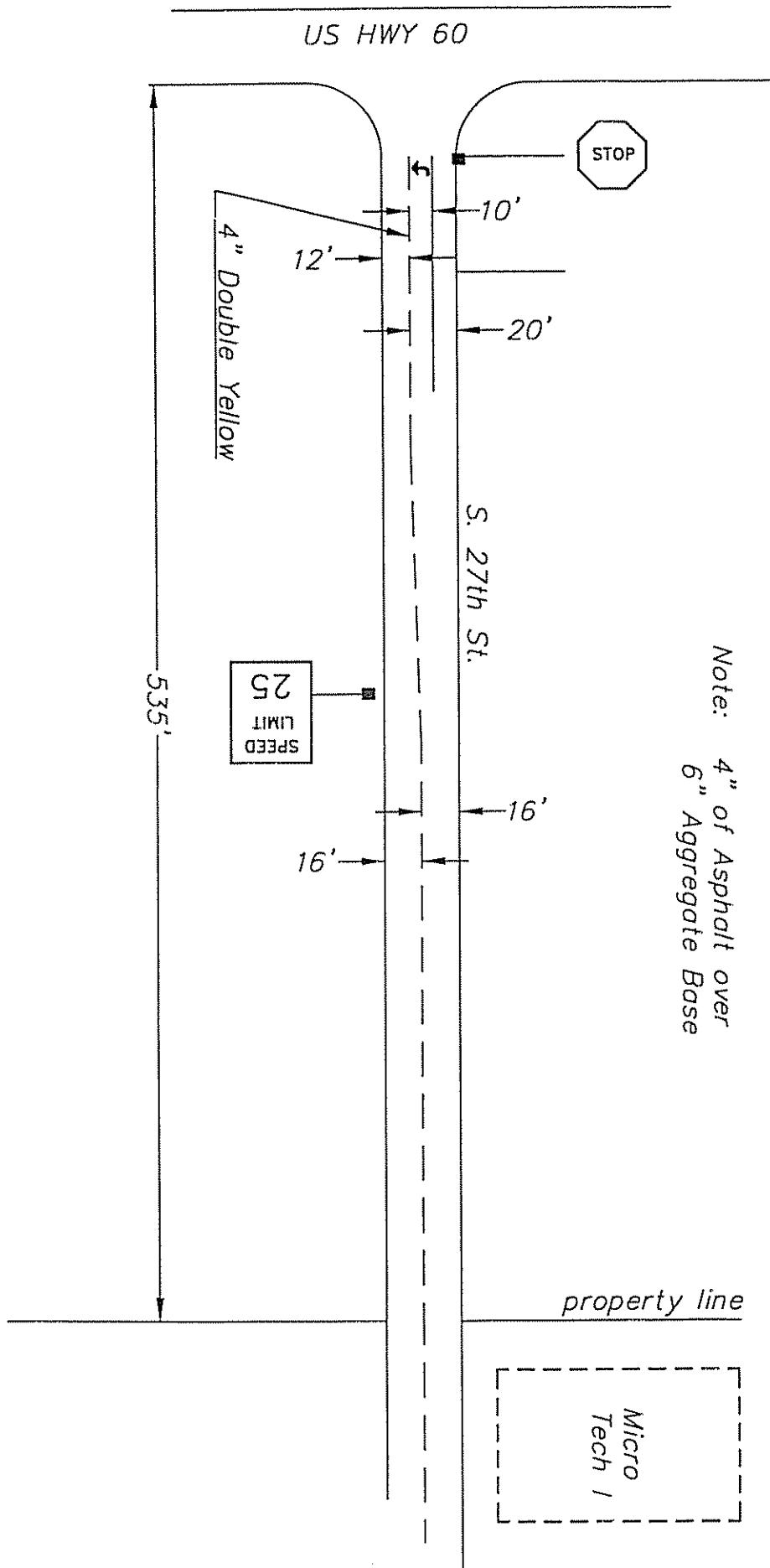
A.	Private sector project investment ((Item 18 b) Total))	\$	1,150,000.00
B.	Local public sector (direct project related)	\$	—
C.	Economic Strength Projects Fund (State funds) (Item 26)	\$	51,980.00
D.	ESP match		
	(2) From the public sector ((Items 27 a)(1)(2) &(3))	\$	5,000.00
	(1) From the private sector ((Item 27 b))	\$	5,000.00
E.	Other _____	\$	5,000.00
F.	Total Sources	\$	1,216,980.00 *

* Total Uses (I.C.) must equal Total Sources (II.F.)

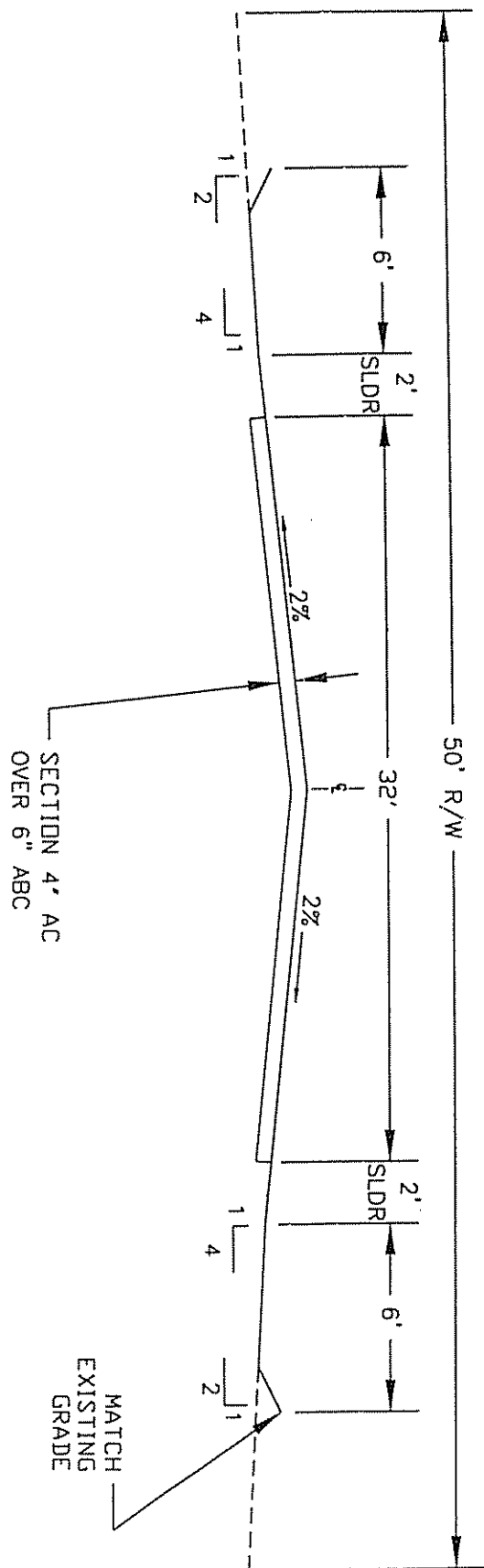




PROPOSED ESP PROJECT



TYPICAL CROSS-SECTION FOR NO PARKING ON PAVEMENT



Cost Benefits Analysis

MicroTech I Southwest, Inc.

The cost of the Economic Strengths Project (ESP) should be viewed to have a broader impact than the typical roadway improvement project. This project will have a measurable economic benefit to the City of Show Low. It may be further illustrated as follows:

Property Tax	\$ 1,200
State Payroll Taxes ¹	\$ 79,700
State Income Taxes ²	<u>\$ 78,000</u>
Total	\$158,900
ESP Project Cost	\$ 66,980

This represents a 2.37:1 tax revenue increase over the estimated capital cost of the construction. In addition, there are significant indirect economic benefits for surrounding communities in southern Navajo County.

¹ Based on ten (10) full-time jobs at an average hourly wage of \$ 15.00 per hour.

² Based on a 25% tax bracket.



September 10, 1996

White Mountain Regional
Development Corporation
P.O. Box 3440
Show Low, AZ 85901-3440
520-537-3777 Fax 537-3830
1-800-818-2520

Mr. Albert Nichols
ESP Program Leader
Financial Services and Housing Development
Arizona Department of Commerce
3800 N. Central Avenue, Suite 1500
Phoenix, Arizona 85012

RE: ESP Grant Application - Letter
of Support for MicroTech I
Project Show Low, Arizona

Dear Mr. Nichols;

I am writing this letter to indicate the support of White Mountain Regional Development Corporation (WMRDC) for the above mentioned project proposal for Show Low, Arizona.

Our White Mountains economy is heavily dependent upon tourism and associated businesses. One specific goal of WMRDC, along with the City of Show Low, is to attract new high tech businesses to provide full time employment for area residents.

MicroTech I Southwest, Inc., is a perfect example of a small manufacturing firm which will help diversify the local economy. MicroTech will be the catalyst for this type of clean, highly technical manufacturing in the Show Low area. The skilled positions to be filled by this company will provide excellent wages and benefits for those new employees.

The need for funding to perform the correct engineering, design, and construction of the proposed roadway is crucial. Besides providing full-time employment opportunities, MicroTech I will increase tax revenues for the local community and the State of Arizona.

It is for these specific reasons that WMRDC fully supports the MicroTech I project proposal submitted by the City of Show Low.

Should you have any questions pertaining to our position on this project, please do not hesitate to contact me directly at (520) 537-3777.

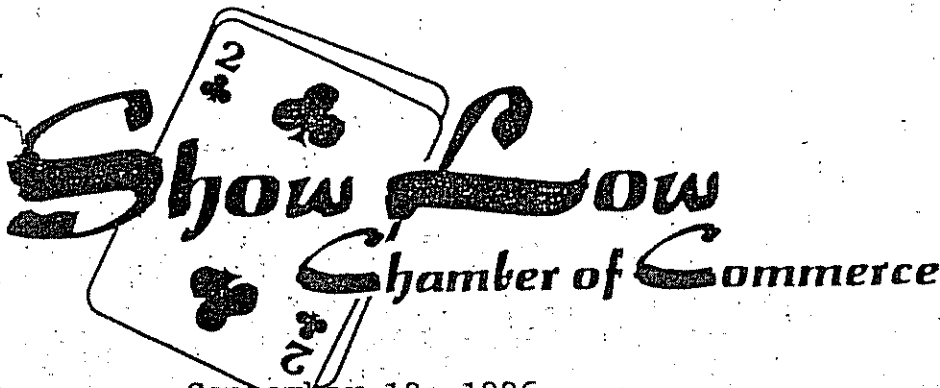
Thank you in advance for your consideration.

Sincerely,

Carl V. Wibel

Carl V. Wibel
Executive Director

cc: Patrick Sherman - City Manager, Show Low, AZ.
Steve Kraxberger, MicroTech I Southwest, Inc.



P.O. Box 1083
Show Low, Arizona 85901
(520) 537-2326

September 10, 1996

Mr. Albert L. Nichols
ESP Program Leader
Financial Services and Housing Development
Arizona Department of Commerce
3800 N. Central Avenue, Suite 1500
Phoenix, Arizona

RE: ESP Grant Application
Support Letter for
Micro Tech I Southwest Inc

Dear Mr. Nichols:

This letter is written in support of the ESP Grant Application for Micro Tech I Southwest Inc.

The Show Low Chamber of Commerce is most supportive of Micro Tech I Southwest Inc., locating in Show Low.


Our main industry in Show Low and the White Mountain area is tourism. We need to diversify with small manufacturing to build the economic base, so we are not so dependent on our tourism industry.

Micro Tech I Southwest Inc., would demand high skilled labor thus, having a positive impact on our labor force. Show Low predominately has unskilled labor, so this company locating in Show Low would build our labor force.

My understanding is the company will hire initially 10 employees and this would cause an increase to our job market and possible draw additional small manufacturing companies to locate in Show Low and our area as well.

For these reasons listed above, is the Show Low Chamber in support of Micro Tech I Southwest Inc., and we request the Department of Commerce to consider the ESP Grant.

Sincerely,


Rob Jones
President

CITY OF SHOW LOW RESOLUTION NO. 727

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY
OF SHOW LOW, ARIZONA AUTHORIZING AND SUPPORTING
CITY OF SHOW LOW APPLICATION FOR A DEPARTMENT OF
COMMERCE ECONOMIC STRENGTH PROGRAM GRANT FOR
INFRASTRUCTURE/BUSINESS DEVELOPMENT

RECITALS:

WHEREAS, the Economic Strength Program of the Arizona Department of Commerce is a joint project with the Arizona Department of Transportation which provides financial assistance for infrastructure that can be directly tied to job creation or job retention in a community; and

WHEREAS, intersection improvements are needed for a prospective business interested in locating in the City of Show Low, which would create new jobs within the community; and

WHEREAS, the City of Show Low commits to contributing \$5,000 as a portion of the matching funds, for the grant for said improvements.

ENACTMENTS:

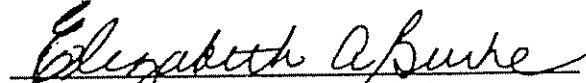
NOW, THEREFORE, BE IT RESOLVED that the Mayor and Council of the City of Show Low, Arizona hereby approves the submission of an application for an Economic Strength Program grant, and authorize the Mayor to sign said application.

BE IT FURTHER RESOLVED that the City commits to contributing \$5,000 as a portion of the matching funds for the grant for said improvements.

PASSED AND ADOPTED this 3rd day of September, 1996, by the Mayor and Council of the City of Show Low, Arizona.


Gerry Whipple, Mayor

ATTEST:


Elizabeth A. Burke, City Clerk

APPROVED AS TO FORM:


Michael J. Brown, Interim City Attorney

[illegible]



STATE OF ARIZONA

OFFICE OF THE ATTORNEY GENERAL

1275 WEST WASHINGTON, PHOENIX 85007-2926

GRANT WOODS
ATTORNEY GENERAL

TRN Main: (602) 542-1680

Direct: (602) 542-8837

Fax: (602) 542-3646

MAIN PHONE : 542-5025

TELECOPIER : 542-4085

INTERGOVERNMENTAL AGREEMENT
DETERMINATION

A.G. Contract No. KR96-2776TRN, an agreement between public agencies, has been reviewed pursuant to A.R.S. § 11-952, as amended, by the undersigned Assistant Attorney General who has determined that it is in the proper form and is within the powers and authority granted to the State of Arizona.

No opinion is expressed as to the authority of the remaining parties, other than the State or its agencies, to enter into said agreement.

DATED March 12, 1997.

GRANT WOODS
Attorney General

JAMES R. REDPATH
Assistant Attorney General
Transportation Section

JRR:et/4100